

**TOSKI, SCHAEFER & CO., P.C.**

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April 2, 2010

The Board of Directors  
Town of North Hempstead Community  
Development Agency:

Dear Board Members:

We have completed our audit of the financial statements of the Town of North Hempstead Community Development Agency (the Agency), a component unit of the Town of North Hempstead, New York, for the year ended December 31, 2009. Considering the test character of our audit, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against irregularities which a test examination may not disclose. We now present for your consideration our comments and recommendations based upon observations made during our audit.

This report is intended solely for the information and use of the Board, management and others within the Agency.

Compensatory Time Off Records

The Agency maintains a running record of compensatory time off earned but not used for each employee. Our testing of the compensatory time off records disclosed inconsistencies between the compensatory time off recorded on the biweekly manual timesheets submitted by the employees and the time off recorded in the running record. We recommend that the running compensatory time off records be compared to the time sheets for 2009 and any inconsistencies be corrected.

Computer Software

The Agency currently maintains its financial information through the Town of North Hempstead's computer software and extracts information to a variety of Excel spreadsheets to perform operations that the system does not perform. This process has resulted in a financial recordkeeping system that requires extensive manual activity to maintain the various spreadsheets and one for which operational documentation is lacking. We recommend that the Agency consider the purchase of a computerized general ledger package to reduce the manual efforts associated with the maintenance of its accounting records. We have been informed by management that the Agency is currently looking into various software alternatives.

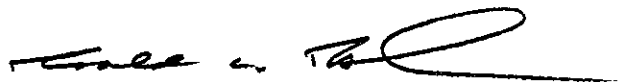
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We wish to take this opportunity to express our appreciation for the courtesy and cooperation extended to us by the Agency's personnel during our audit. If you have any questions regarding the foregoing comment or wish any assistance in its implementation, please contact us at your convenience.

Very truly yours,

TOSKI, SCHAEFER & CO., P.C.

A handwritten signature in black ink, appearing to read "Ronald C. Toski", with a large, stylized flourish at the end.

Ronald C. Toski, CPA  
Managing Director